







AREAS OF BUDGETARY RISK

APPENDIX 1

Three areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	2025/26 Approved Budget	Risk Rating	Risk and mitigation
General Maintenance	£3,580,230 (revenue)		<p>There have been overspends on this budget in recent year due to volatility in the demand of the level and cost of requested repairs. This includes increased focus on monitoring and remedial works where damp and mould issues are identified. In recognition of this the budget was significantly increased for 25/26 based on previous spend.</p> <p>Spend to month three is slightly ahead of profile and will be closely monitored for the rest of the year.</p> <p>Mitigation measures include contract meetings with the Contractor which include budget review and work in progress updates. Other supporting measures include weekly Surveyors meetings to highlight repair demand pressures.</p>
Repairs to Void Properties	£1,822,180 (revenue)		<p>Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk, and this budget has also overspent in recent years and has been increased for 25/26.</p> <p>As at Quarter 1 spend is broadly in line with the budget.</p> <p>Mitigation includes increasing the number and timeliness of property inspections by Housing Officers to identify sub-standard property conditions wherever possible and provide earlier alerts to issues.</p>
Rental Income from Dwellings	(£22,110,850) (revenue)		<p>Right to Buy sales, new properties, the number of new tenancies set at convergent rent levels, the number of days lost through major works and rent lost in respect of void properties all impact on the annual rental income.</p> <p>Rental income after the first 3 months is largely in line with profile.</p>

Risk Rating:

	Potential for a favourable variance compared to the budget or no variance at all
	Potential for adverse budgetary variance of between 0% and 5% that will be kept under review
	Potential for an adverse budgetary variance of more than 5% and will be monitored closely